



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/898,662	10/05/2010	Gregory Joseph Badros	26295-17286	4225

87851 7590 05/23/2017
Facebook/Fenwick
Silicon Valley Center
801 California Street
Mountain View, CA 94041

EXAMINER

SCHMUCKER, MICHAEL W

ART UNIT	PAPER NUMBER
----------	--------------

3622

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

05/23/2017

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

ptoc@fenwick.com
fwfacebookpatents@fenwick.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte GREGORY JOSEPH BADROS, AMI VORA,
DAVID BENJAMIN FISCHER, KENT SCHOEN, and
TIMOTHY KENDALL

Appeal 2015-005795
Application 12/898,662
Technology Center 3600

Before ANTON W. FETTING, NINA L. MEDLOCK, and
AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL¹

The Appellants² appeal under 35 U.S.C. § 134(a) from the Examiner's final decision rejecting claims 1–10 and 19–28. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Throughout this opinion, we refer to the Appellants' Appeal Brief ("Appeal Br.," filed Feb. 3, 2015), Reply Brief ("Reply Br.," filed May 18, 2015), and Specification ("Spec.," filed Oct. 5, 2010), and to the Examiner's Answer ("Ans.," mailed Apr. 9, 2015) and Final Action ("Final Act.," mailed Oct. 22, 2014).

² According to the Appellants, the real party in interest is Facebook, Inc. Appeal Br. 2.

STATEMENT OF THE CASE

The Appellants’ “invention relates generally to online advertising, and in particular to providing social endorsement information in conjunction with an online advertisement.” Spec. ¶ 1.

Claims 1, 27, and 28 are the independent claims on appeal. Claim 1 (Appeal Br. 19 (Claims App.)) is illustrative of the subject matter on appeal, and is reproduced below:

1. A computer-implemented method comprising:
 - receiving a request for an advertisement at a social networking system within which a viewing user has previously established a connection with one or more additional users from a third-party publisher system that is independent from the social networking system, the advertisement to be displayed to the viewing user at the third-party publisher system;
 - retrieving, by the social networking system, one or more advertisement tags associated with an advertisement, wherein the advertisement tags comprise information related to the advertisement;
 - retrieving, by the social networking system, social networking system data from the social networking system related to the one or more additional users connected to the viewing user in the social networking system;
 - creating, by the social networking system, a social endorsement based on the retrieved social networking system data and the advertisement tags, the social endorsement indicating that one or more of the additional users have taken an action within the context of the social networking system related to the one or more advertisement tags; and
 - sending the advertisement and social endorsement for display to the viewing user at the third-party publisher system.

REJECTIONS

Claims 1–10 and 19–28 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Final Act. 3.

Claims 1, 2, 6–10, 19–24, and 26–28 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Purvy et al. (US 2011/0258042 A1, pub. Oct. 20, 2011) (“Purvy”) and Kendall et al. (US 2009/0119167 A1, pub. May 7, 2009) (“Kendall”). *Id.* at 4.

Claims 3–5 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Purvy, Kendall, and Miguel Helft, *Google Aims to Make YouTube Profitable With Ads*, N.Y. TIMES, (Aug. 22, 2007), <http://www.nytimes.com/2007/08/22/technology/22google.html?ei=5070&en=df6f8d842b0> (“Helft”). *Id.* at 19.

Claim 25 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Purvy, Kendall, and Cohen (US 2006/0218111 A1, pub. Sept. 28, 2006). *Id.*

ANALYSIS

Patent-Ineligible Subject Matter - § 101³

The Appellants argue the claims as a group. *See* Appeal Br. 13. We select claim 1 as representative. Claims 2–10 and 19–28 stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for*

³ The rejections are addressed in the order presented in the Final Action.

Molecular Pathology v. Myriad Genetics, Inc., 133 S. Ct. 2107, 2116 (2013)).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” *id.*, e.g., to an abstract idea. If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’ to determine whether there are additional elements that ‘transform the nature of the claim’ into a patent-eligible application.” *Alice.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1298, 1297).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Turning to the first part of the analysis, the Examiner finds that claim 1 is directed to the abstract idea of selection of an endorsement to more efficiently target users, i.e., targeted advertising, a fundamental economic practice. Final Act. 3. Conversely, the Appellants contend that

the claims are directed to “creating a social endorsement for display at a third-party publisher system based on social networking system data and advertisement tags,” which is not an abstract idea. Appeal Br. 13–14.

Claim 1 is directed to a method comprising receiving a request for an advertisement, retrieving an advertisement tag, retrieving data, creating a social endorsement, and sending the advertisement and social endorsement. Appeal Br. 19 (Claims App.). The Specification provides that the “invention relates generally to online advertising, and in particular to providing social endorsement information in conjunction with an online advertisement.” Spec. ¶ 1. The Specification discusses problems with prior “ad targeting attempts” and the invention as a “comprehensive solution to providing social endorsement information in conjunction with online ads on third-party publisher systems in order to *maximize ad relevancy and effectiveness*.” *Id.* ¶ 3 (emphasis added). Further, “[e]mbodiments of the invention can provide advertisements with social endorsements using various different arrangements.” *Id.* ¶ 5. The invention uses “[s]ocial endorsement information . . . to provide social context for advertisements that are shown to a particular viewing user.” *Id.* ¶ 20. In that context, we find that claim 1 is directed to the abstract idea of creating and providing social endorsements for targeted advertising, a fundamental economic and conventional business practice. Our reviewing courts have held certain fundamental economic and conventional business practices, like tailoring information presented to a user based on particular information (*see Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015)), intermediated settlement (*see Alice*, 134 S. Ct. at 2356–57), using advertisement as currency (*see Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d

709, 713 (Fed. Cir. 2014)), and collecting and analyzing information, including when limited to particular content, or without more (*see Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016) to be abstract ideas. The creating and providing of endorsements for targeted advertising of claim 1 is similar to these abstract ideas, and, thus, claim 1 is directed to an abstract idea.

We find unpersuasive the Appellants’ argument that the Examiner did not establish a *prima facie* case because “the examiner does even not provide ‘substantial evidence’ in support of the notion that ‘selecting’ a social endorsement is an abstract idea, as required by the Administrative Procedure Act 5 U.S.C. 500 et seq.” Appeal Br. 14; *see also* Reply Br. 4. The law is well-established that the USPTO carries its procedural burden when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, “together with such information and references as may be useful in judging the propriety of continuing the prosecution of [the] application.” *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (alteration in original). There is no specific requirement that the Examiner must provide “substantial evidence” in determining that the claims are directed to an abstract idea. *See Alice*, 134 S. Ct. at 2355–57; *cf. In re Fisher*, 421 F.3d 1365, 1372 (Fed. Cir. 2005) (“The MPEP and Guidelines ‘are not binding on this court’”); *and* MPEP, Foreword (“The Manual does not have the force of law or the force of the rules in Title 37 of the Code of Federal Regulations”). Here, the Examiner notifies the Appellants that the claims are directed to a patent-ineligible abstract idea. Final Act. 3; Ans. 10–11. The Examiner, thus, has notified the Appellants of the reasons for considering the claims directed to an abstract idea with such information

“as may be useful in judging the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132.

Turning to the second step of the analysis, the Examiner finds that [t]he claims do not recite limitations that are “significantly more” than the abstract idea because the claims do not recite an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment. It should be noted the limitations of the current claims are performed by the generically recited computer/processor. The limitations are merely instructions to implement the abstract idea on a computer and require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.

Final Act. 3–4 (emphasis omitted). In support thereof, the Examiner further “notes that the only additional features of the inventive abstract idea appear to be organizing human activity, [and] . . . also clearly falling into the category of ‘well-understood, routine, conventional activity’ referred to in *Mayo* and further in *Ultramercial*.” Ans. 13.

We find unpersuasive the Appellants’ arguments that claim 1 adds limitations that are significantly more than the abstract idea. *See* Appeal Br. 16–17. The Appellants’ argument that the claim does not lack an “inventive concept” because “claim 1 recites specific inventive concepts that are not found in the prior art” (*id.* at 16; *see also* Reply Br. 4–5) is not persuasive — a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

Further, the steps of receiving an advertisement, retrieving a tag, retrieving data, creating an endorsement, and sending the advertisement and endorsement are all routine and conventional computer functions of a

general processor. The Specification supports this view in discussing generic computers and servers for performing the steps. *See, e.g.*, Spec. ¶¶ 22–27, Fig. 2. There is no further specification of particular technology for performing the steps. *See Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 (Fed. Cir. 2016); *see also Enfish*, 822 F.3d at 1336 (focusing on whether the claim is “an improvement to the computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity.”); *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. The bare fact that a computer exists in the physical rather than purely conceptual realm ‘is beside the point.’” (citation omitted) (quoting *Alice*, 134 S. Ct. at 2358)). The Appellants do not adequately show how the claimed steps are technically done such that they are not routine, conventional functions of a generic computer, nor do the Appellants provide evidence why the steps are not routine and conventional functions of a generic computer. *See Intellectual Ventures*, 792 F.3d at 1370 (“Rather, the ‘interactive interface’ simply describes a generic web server with attendant software, tasked with providing web pages to and communicating with the user’s computer.”). As such, the present claims are distinguishable from the claims at issue in *DDR Holdings*. *Cf.* Reply Br. 6.

In *DDR Holdings*, the Federal Circuit determined that the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after clicking on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257.

The Federal Circuit, thus, held that the claims were directed to statutory subject matter because they claim a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.* In contrast, there is no indication here that the claimed invention requires something other than the normal, conventional computer functions of receiving, retrieving, creating, and transmitting data. Furthermore, creating social endorsements based on data and tags such as keywords (*see* Reply Br. 6) is not a problem unique to computers, but rather is a ubiquitous issue associated with targeted marketing and advertising. Consequently, when considering the claim limitations individually and as an ordered combination, the claimed invention is not necessarily rooted in computer technology to overcome a problem specific to the realm of computers, but instead embodies the use of generic computer components in a conventional manner to perform an abstract idea, which, as the court in *DDR Holdings* explained, is not patent-eligible. *DDR Holdings*, 773 F.3d at 1256 (“[T]hese claims [of prior cases] in substance were directed to nothing more than the performance of an abstract business practice on the Internet or using a conventional computer. Such claims are not patent-eligible.”).

For at least the reasons above, we are not persuaded of Examiner error in the rejection of claim 1 under 35 U.S.C. § 101. Thus, we sustain the Examiner’s rejection under § 101 of independent claim 1 and also of claims 2–10 and 19–28, which fall with claim 1.

Obviousness - § 103

Each of independent claims 1, 27, and 28 recites, in relevant part, receiving a request for an advertisement at a social networking system within which a viewing user has previously established a connection with one or more additional users from a third-party publisher system that is independent from the social networking system, the advertisement to be displayed to the viewing user at the third-party publisher system.

Appeal Br. 19, 22–23 (Claims App.). The Examiner relies on the combination of Purvy and Kendall for teaching this limitation. *See* Final Act. 4–8. Specifically, the Examiner finds that Purvy teaches “receiving, at a computer, a request for an advertisement to be displayed to a viewing user via a third-party publisher” (Final Act. 4–5 (citing Purvy ¶¶ 24–26, 54)), and that Purvy’s endorsement subsystem meets the claimed social network system (*id.* at 5; Ans. 4, 6 (citing Purvy Fig. 7, ¶¶ 17, 23)). The Examiner relies on Kendall for teaching a separate third party publisher system with a separate database of interactions and that would display the advertisement. *See* Final Act. 7–8.

We are persuaded by the Appellants’ arguments that the Examiner has not adequately shown that the prior art teaches this limitation. *See* Appeal Br. 7–9; *see also* Reply Br. 2–3. Purvy discloses that “[w]hen an advertisement is provided in response to a request for an advertisement from a first user, the endorsement subsystem provides an advertisement that has been endorsed by another user that shares an acquaintance relationship with the first user in a social network,” (Purvy ¶ 17), and considers a social network as “an online system that provides a forum for users who are geographically separated from each other to interact with one another, where those users have defined a relationship between one another” (*id.* ¶ 18).

Purvy further discloses that the “endorsement subsystem identifies whether or not the user [providing a search query on a website] belongs to a social network.” *Id.* ¶ 23. In response to the search query, the endorsement subsystem identifies search results and eligible advertisements, and “determines whether any of the eligible advertisements have been endorsed by another user that also belongs” to the same social network as the first user. *Id.* ¶ 24. The endorsement subsystem uses information including whether the users share an acquaintance relationship and targeting keywords to help determine whether to display the advertisement and/or which one(s) to display. *Id.* ¶¶ 24, 25, 54. The website can provide an indication of the endorsement, and the first user can see accompanying comments. *Id.* ¶ 26.

The Examiner finds that the endorsement subsystem meets the claimed social network because the endorsement subsystem “search[es] and find[s] individual who have interacted and are therefore connected in a social network.” Ans. 4. However, we agree with the Appellants that for Purvy’s endorsement system to meet the claimed social networking system, Purvy’s request for an advertisement would need to be received at the endorsement system and the first user would have to have had a previously established connection with one or more users from a third party publisher within the endorsement system. *See* Appeal Br. 8. Even were we to agree that a request is received at the endorsement subsystem (as part of the website), Purvy, at best, discloses the endorsement system determining whether the users have a connection within a social network separate from the endorsement system. *See id.* at 8–9; Reply Br. 2–3. We do not see from the face of the reference, and the Examiner has not adequately explained, that the users have a connection from a third party (Purvy’s social network)

within the endorsement subsystem. Furthermore, the Examiner has not adequately explained how, or whether, Kendall cures that deficiency.

Based on the foregoing, we are persuaded of error on the part of the Examiner in the rejection of independent claims 1, 27, and 28 under 35 U.S.C. § 103. Thus, we do not sustain the Examiner's rejection under § 103 of independent claims 1, 27, and 28, and of dependent claims 2, 6–10, 19–24, and 26.

Each of claims 3–5 and 25 ultimately depends from independent claim 1. The deficiencies in the rejection of the independent claims are not cured by Helft or Cohen. Thus, for the same reasons we do not sustain the rejection of claim 1, we also do not sustain the rejections of dependent claims 3–5 and 25.

DECISION

The Examiner's rejection of claims 1–10 and 19–28 under 35 U.S.C. § 101 is AFFIRMED.

The Examiner's rejections of claims 1–10 and 19–28 under 35 U.S.C. § 103(a) are REVERSED.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED